

**No.R-11017/12(1)/2021-L&M**  
**Government of India**  
**Ministry of Agriculture and Farmers' Welfare**  
**Department of Agriculture, Cooperation and Farmers' Welfare**  
**Cooperation Division (L&M Section)**  
**(Office of Central Registrar of Cooperative Societies)**

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**Krishi Bhawan, New Delhi**  
**Dated: 25<sup>th</sup> June, 2021**

**CIRCULAR**

**Sub: Collection of deposits by Multi-State Cooperative Societies -reg.**

This office vide circular No. R-11017/19/2017-L&M dated 03.07.2017 directed all Multi-State Cooperative Societies to display the following information at the entrance of the society & its branches and on their website, if any maintained:-

*"Multi-State Cooperative Societies are functioning as autonomous cooperative organizations accountable to their members and not under the administrative control of the Central Registrar, Ministry of Agriculture and Farmers' Welfare. Therefore, the depositors/ members are advised to take decision for investing deposits based on the performance of the society at their own risk Central Registrar, Ministry of Agriculture and Farmers' Welfare does not provide any guarantee for these deposits."*

2) In continuation to above circular, all Multi-State Cooperative Societies (except Banks) registered for credit activities are further directed to conspicuously display the following information in their local/regional language(s) along with the above information:-

***"their 'Registering Authority' and Non-accountability of any Government Authority in the affairs of the Cooperative Societies"***

This information should also be brought in the visual media by way of a Public Notice.

This issues with the approval of Central Registrar of Cooperative Societies.

*A Agarwal*

**(Alok Agarwal)**  
**Director (Cooperation)**

**Distribution:-**

- 1) All Multi-State Cooperative Societies registered for credit activities.
- 2) Registrar of Cooperative Societies of all States/ UTs with the request to direct all the cooperative societies (except banks) involving credit mechanism, registered under their jurisdiction to conspicuously display the message in a similar manner stipulated at para 2, above, and to monitor the same in compliance to the recommendation contained in para No. 27 of 13<sup>th</sup> report of the Committee of Petitions (17<sup>th</sup> Lok Sabha). A copy of the recommendation of Committee of Petitions is enclosed.
- 3) Senior programmer, for uploading on the website.



*CE-302*  
*20/6/21*

**THIRTEENTH REPORT**

**COMMITTEE ON PETITIONS**

**(SEVENTEENTH LOK SABHA)**

**MINISTRY OF AGRICULTURE AND FARMERS WELFARE**

**(DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE)**

**(Presented to Lok Sabha on // . 2.2021)**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 2021/Pausa, 1942 (Saka)**

therefore, strongly recommend the Ministry to build an impregnable fireball by way of formulating stringent rules, regulations, and guidelines so that the poor and middle income groups are not cheated any further. The Committee would like to be apprised of the necessary steps taken in this regard within three months from the date of presentation of this Report to the House.

Accountability of the Multi-State Credit Cooperative Society towards its members/investors.

26. As informed by the Ministry of Agriculture & Farmers Welfare (Department of Agriculture, Cooperation & Farmers Welfare), the Department of Agriculture, Cooperation & Farmers Welfare has issued a Circular dated 3.7.2017, wherein all the Multi-State Cooperative Societies (except for the Cooperative Banks) have been directed to display a message at the entrance of Society's branch that - 'Multi-State Cooperative Societies are functioning as autonomous cooperative organizations accountable to their members and not under the administrative control of the Central Registrar, Ministry of Agriculture and Farmers Welfare. Therefore, the depositors are advised to take decision for investing deposits based on the performance of the Society at their own risk. The Central Registrar, Ministry of Agriculture and Farmers Welfare does not provide any guarantee for these deposits.

27. The Committee are of the considered opinion that it is incumbent upon the Multi-State Cooperative Society to have a transparent business relationship, devoid of any ambiguity or unfair proposition, with its depositors/investors/members. Notwithstanding the fact that displaying a message regarding autonomy of these Cooperative Societies had not produced the desired result in any manner and the innocent investors are incessantly being duped by majority of these Cooperative Societies, the Committee intend to impress upon the Ministry of Agriculture & Farmers Welfare (Department of Agriculture, Cooperation & Farmers Welfare) to

direct/instruct all the Cooperative Societies, be it registered with the Central Registrar or with the Registrar of Cooperative Societies of States/UTs, to conspicuously display their 'Registering Authority' and 'Non-accountability of any Government Authority in the affairs of the Cooperative Societies', not only in the local/regional language(s) but also in the visual media by way of a Public Notice. The Committee would like to be apprised of the necessary steps taken in this regard within three months from the date of presentation of this Report to the House.

*Provisions under the MSCS Act, 2002 against the errant Multi-State Cooperative Societies*

28. The Committee note that the provisions with regard to residuary/overall powers of the Central Registrar for superintendence, control and issue directions to the errant Multi-State Cooperative Societies are given in the following Sections of the Multi-State Cooperative Societies Act, 2002:-

- (a) *Section 48: Nominee of Central Government or State Government on Board;*
- (b) *Section 78: Inquiry by Central Registrar;*
- (c) *Section 79: Inspection of Multi-State Co-operative Societies;*
- (d) *Section 80: Inspection of books of indebted Multi-State Co-operative Societies;*
- (e) *Section 86: Winding up of Multi-State Co-operative Societies;*
- (f) *Section 122: Central Government's power to give directions to specified Multi-State Co-operative Societies in public interest; and*
- (g) *Section 123: Supersession of board of specified Multi-State Co-operative Society.*

29. In regard to inspection of Books of Accounts, etc., of the Multi-State Cooperative Society and settlement of disputes through reference to arbitration in terms of Section(s) 108 and 84 of the Multi-State Cooperative Societies Act, 2002, respectively, the Committee further note that the Department of Agriculture, Cooperation & Farmers Welfare, Ministry of Agriculture & Farmers Welfare has also

**No. R-11017/101/2015-L&M**  
**Ministry of Agriculture and Farmers Welfare**  
**Department of Agriculture, Cooperation and Farmers Welfare**  
**(Office of Central Registrar of Cooperative Societies)**

Krishi Bhawan, New Delhi

Dated 25<sup>th</sup> June, 2021

To,

1. Multi-State Cooperative Banks and Societies,
2. All Registrar of Cooperative Societies.

**Subject: Extension in time-period for holding Elections by Multi State Coop Banks and societies -reg.**

Sir/ Madam,

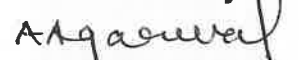
1. This office has received various references/ requests by Multi-state cooperative banks and societies (hereinafter referred to as 'societies' for the sake of brevity) for not able to conduct elections on time. The issue arises on account of recent notification by various State Government imposing restrictions on movements and public gatherings due to COVID-19. With this, the societies are not able to conduct elections in the conventional way and therefore, the societies have sought guidance of this authority for giving them the extension on time period for conducting elections.

2. Earlier, this office had issued circular dated 14.09.2020 (copy enclosed) permitting all the societies and banks to conduct elections by 31.12.2020 and subsequently, vide circular dated 15.01.2021, the time period was further extended till 15.02.2021. However, due to imposition of restrictions on movement by the State Governments on account of COVID-19, many of the societies have still not been able to conduct elections in conventional way within the said time period.

3. In view of the above, it has been decided that in continuation to our circular dated 15.01.2021, the time period for conducting the election by the societies is extended till 15.09.2021. However, societies are advised in their own interest to conduct the election at the earliest depending upon the circumstances in their region.

This issues with the approval of Central Registrar of Cooperative Societies.

Yours sincerely



**Alok Agarwal**

**Director (Cooperation)**